

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SOE-01 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-12 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-01 PRS-01
IO-13 /131 W

-----004241 240016Z /66

R 231600Z DEC 77

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 490
INFO AMEMBASSY BOGOTA
USCINCSO QUARRY HEIGHTS
USCINCLANT NORFOLK VA

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E.O. 11652: N/A

TAGS: ENRG, ECON, PINT, SOCI, VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 12241

SUMMARY. OPEC CONFERENCE ENDS WITH A PRICE FREEZE.
LEGISLATURE APPROVES 1978 BUDGET AND BS. 6S BILLION LOAN.
GOVERNMENT POLL SHOWS COPEI CANDIDATE LEADING. SLOW WEEK
IN VENEZUELA. END SUMMARY.

1. OPEC CONFERENCE ENDS WITH A PRICE FREEZE. THE CARACAS
OPEC CONFERENCE ENDED ABOUT NOON, DECEMBER 21, 26 HOURS
AFTER IT WAS OPENED BY VENEZUELAN PRESIDENT PEREZ. FORMAL
SESSIONS CONSISTED OF HIS HOUR-LONG INAUGURAL SPEECH
DECEMBER 20, A THREE-HOUR SESSION LATER THAT SAME AFTERNOON
DEVOTED LARGELY TO FIXING THE AGENDA, AND A TWO-HOUR WORKING
SESSION THE NEXT MORNING. THE CARACAS OPEC CONFERENCE
CONCLUDED WITH A FREEZE ON OIL PRICES FOR AT LEAST SIX
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MONTHS, BUT LITTLE ELSE. THE PRICE ISSUE WAS DISCUSSED,
AND WHILE THE MEMBERS COULD NOT AGREE ON AN INCREASE, THERE
WAS NO OPEN SPLIT AS OCCURRED A YEAR AGO. PRESIDENT PEREZ'
PROPOSAL TO INCREASE PRICE AND DISTRIBUTE THE INCREASE TO
HELP THE THIRD WORLD PAY ITS DEBTS TO THE INDUSTRIALIZED
NATIONS APPARENTLY FELL ON DEAF EARS, IN PART, PERHAPS DUE TO HIS
OVER ENTHUSIASTIC EFFORTS TO PROMOTE IT AMONG THE ASSEMBLED

OPEC MINISTERS.

2. LEGISLATURE APPROVES 1978 BUDGET AND BS. 6 BILLION LOAN. AS ONE OF THE FINAL ACTS OF THE 1977 LEGISLATIVE SESSION, THE CHAMBER OF DEPUTIES AND THE SENATE APPROVED THE GOV'S PROPOSED BUDGET OF BS. 44.5 BILLION (SEE CARACAS A-176) AND A SPECIAL BS. 6 BILLION LOAN. THE LOAN WHICH IS FOR EXPENSES INCURRED BY EXISTING INFRASTRUCTURE PROJECTS (SEE CARACAS 11746) WAS PASSED WITH AMENDMENTS THAT WILL ENFORCE STRICTER SUPERVISION OF CONTRACTING AND PAYMENTS FOR MAJOR PROJECTS.

3. GOVERNMENT POLL SHOWS COPEI CANDIDATE LEADING. ACCORDING TO SEVERAL COPEI PARTY OFFICIALS, A RECENTLY COMPLETED GOVERNMENT POLL SHOWS THE AD CANDIDATE, LUIS PINERUA ORDAZ, TRAILING THE COPEI CANDIDATE, LUIS HERRERA CAMPINS, BY A MARGIN OF 4-6 POINTS IN ALL TWENTY STATES. REPORTEDLY, THE GOVERNMENT IS SITTING ON THE RESULTS OF THE POLL, BUT COPEI IS SEEKING A WAY TO PUBLICIZE IT.

4. SLOW WEEK IN VENEZUELA. YULE AND OIL COMBINED TO INCREASE THE VISCOSITY OF THE PACE OF LIFE IN VENEZUELA. VENEZUELAN, LIKE THE THREE WISE MEN, TRAVEL AT CHRISTMAS. TO VAIL, DISNEYWORLD, THE CARIBBEAN OR LAUSSANE IF YOU HAVE IT (AND A GREAT MANY DO)-- OR TO YOUR HOME STATE IF YOU ARE LOWER MIDDLE-CLASS OR POORER (CLASSES C AND D IN LOCAL PUBLIC OPINION POLL PARLANCE). IN CARACAS LIMITED OFFICIAL USE

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THE MINISTRIES BECAME CATACOMBS HAUNTED BY SKELETON STAFFS; BUSINESSES CLOSED; THE TRAFFIC THINNED, AND THE THIEVES FANNED OUT TO REAP THEIR SHARE OF THE DYING YEAR'S BOUNTY.

CHRISTMAS IS A TIME TO SLOW DOWN IN VENEZUELA. TO SLOW THINGS EVEN FURTHER, VENEZUELA THIS WEEK WAS MESMERIZED BY THE OPEC CONFERENCE. THAT SUCH A MOMENTOUS ISSUE AS THE WORLD PRICE OF OIL WAS BEING DECIDED IN CARACAS FOCUSED THE LOCAL MEDIA FIXEDLY ON THE POLITICS OF OIL RATHER THAN ON THE FREQUENTLY GASEOUS LOCAL VARIETY. THE OBITUARY AND CRIME SECTIONS OF THE NEWSPAPERS GOT BULKIER. FOR THOSE CARAQUENOS WHO ENJOY EXPOSES OF ADMINISTRATIVE CORRUPTION, THERE WERE, INSTEAD, EXPANDED COURT REPORTER STORIES AND, FOR THE PRURIENT, THE VICISSITUDES OF A LOCAL MAGAZINE PUBLISHER CAUGHT IN A NASTY PROPERTY SETTLEMENT SUIT BY HIS EX-WIFE. CARAQUENOS WHO DIDN'T TRAVEL SET OFF FIREWORKS; ROLLER SKATED IN GROUPS ON THE STREETS AT NIGHT, AND WENT TO THE MOVIES. "RHE DEEP" AND "STARS WARS" ARE TWO BIG FAVORITES. THE POLITICAL SECTION WHICH PREPARES THIS WEEKLY JOURNAL WISHES ALL ITS READERS A MERRY CHRISTMAS.

5. OTHER REPORTING THIS WEEK INCLUDED NIEHOUS KIDNAPPING -

DONNA NIEHOUS DENIES THAT HER HUSBAND WAS WITH THE CIA
(CARACAS 12358), OWENS-ILLINOIS RESPONSE TO SALOM MESA'S
CHARGES OF A CIA CONNECTION AND ATTEMPTED BRIBERY OF
PRESIDENT PEREZ - NIEHOUS KIDNAPPING (CARACAS 12328),
MOTOR VESSEL "ISLA DE ARUBA" (CARACAS 12327), FOREIGN
INVESTMENT REGULATIONS MODIFIED BY DECREE 2442 (CARACAS 12253),
MARKET RESEARCH; 1978 CCP (CARACAS 12259), CARACAS OPEC
CONFERENCE: CURRENT STATUS (CARACAS 12255), CARACAS OPEC
CONCERENGE: PRESIDENT PEREZ' SPEECH (CARACAS 12330),
VENEZUELA'S IAEA NPT SAFEGUARDS AGREEMENT AND REQUEST FOR
NUCLEAR MATERIAL (CARACAS 12292), REGIONAL SATELLITE SCHEME
REPORTED (CARACAS 12289), REPORTED AIRSHIP SALE (CARACAS 12282),
CARACAS OPEC CONFERENCE: CURRENT STATUS (CARACAS 12311), OIL
COMPANY PROBLEMS MEETING WITH MINISTRY OF ENERGY OFFICIALS
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(CARACAS 12363), CARACAS OPEC CONFERENCE ADJOURNS (CARACAS 12367),
VENEZUELAN SUBSIDIARY OF GATES RUBBER COMPANY PROBLEMS WITH
MINISTRY OF DEVELOPMENT (CARACAS 12206), CARACAS OPEC
CONFERENCE: FINAL DAY AND PETROLEUM ASSESSMENT (CARACASV 12394),
AND MAJOR PROJECTS - IRRIGATION PROJECT (CARACAS 12215),
PROGRESS REPORT ON EL PALITO AND AMUAY REFINERIES
(CARACAS 12294), INOS SUBJECT TO PRE-AUDIT CONTROLS
(CARACAS 12307), REQUEST FOR GOV POLICY REGARDING
PAYMENT IN U.S. DOLLARS FOR CONTRACTS BETWEEN PRIVATE
VENEZUELAN AND U.S. FIRMS (CARACAS 12342), AND CORPOZULIA
STEEL PROJECT PRE-SELECTION OF PARTNERS (CARACAS 12343).
CROWLEY

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Message Attributes

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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Transfer Date:
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Secure: OPEN
Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
TAGS: ENRG, ECON, PINT, SOCI, VE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b5c6cafd-c188-dd11-92da-001cc4696bcc
Review Markings:
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US Department of State
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